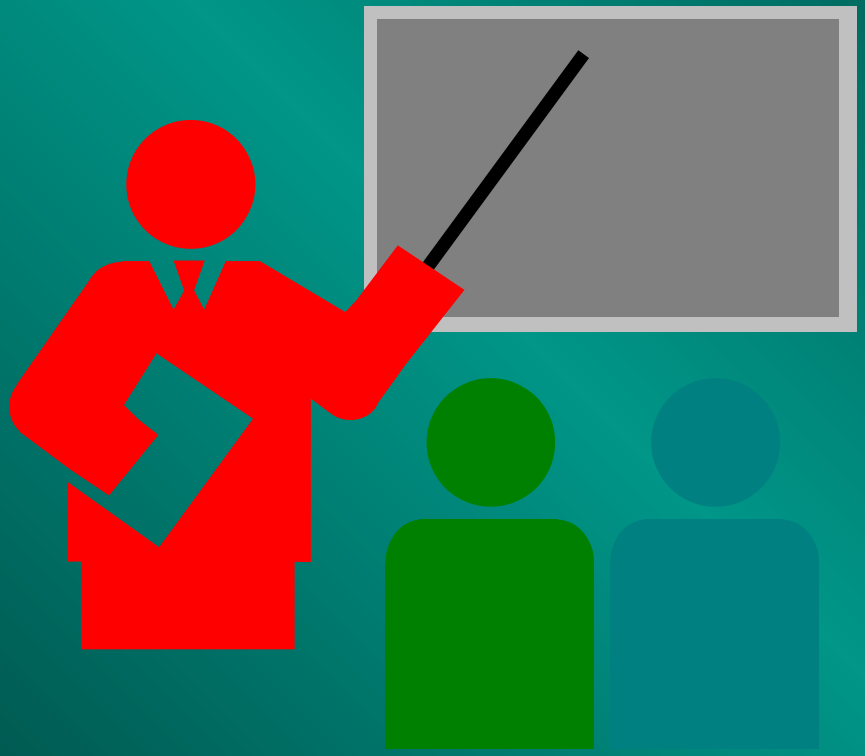
OPERATIONAL RISK MANAGEMENT

Indoctrination Training

Indoctrination Training

* ORM Terms
* 5-Step ORM Process
* Causes of Risk
* 4 ORM Principles
* Benefits of ORM
* 3 Levels of ORM
* Time-critical ORM

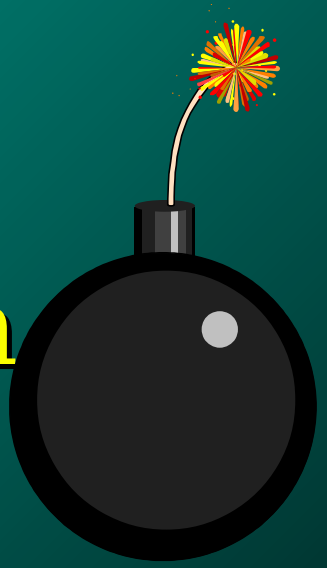
ORM Terms



ORM Terms

Hazard:

A condition with the potential to cause personal injury or death, property damage, or mission degradation.



ORM Terms

Risk:

An expression of possible loss in terms of severity and probability

ORM Terms

Severity:

The worst credible consequence which can occur as a result of a hazard.

ORM Terms

Probability:

The likelihood that a hazard will result in a mishap or loss

Hazard	Risk
Bad Weather	High Probability Flight Ops Cnx
Flock of Birds	Moderate Chance of Engine FOD
Walking on top of Slippery AC	Some Chance of Fall Producing Severe Injury

ORM Terms

Risk Assessment:

The process of detecting hazards and assessing associated risks.

ORM Terms

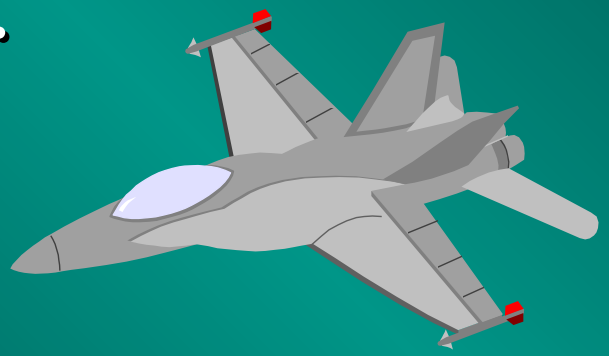
Control:

A method for reducing risk for an identified hazard by wering the probability of occurrenc decreasing potential severity, or both.

ORM Terms

Operational Risk Management:

The process of dealing with risk associated with military operations, which includes risk assessment, risk decision making, and implementation of effective risk controls.



Operational Risk Management Process

1. Identify Hazards
2. Assess Hazards
3. Make Risk Decisions
4. Implement Controls
5. Supervise

Operational Risk Management

- A Decision Making Tool
- Increases Ability to Make Informed Decisions
- Reduces Risks to Acceptable Levels

Operational Risk Management

Goal:

To optimize operational capability and readiness by managing risk to accomplish the mission with minimal loss.

Causes of Risk

* Change - The “Mother” of Risk
  * Resource Constraints
  * New Technology
* Complexity
* Stress

Causes of Risk
(Cont.)

* Societal Constraints
* Environmental Influences
* Human Nature
* Speed/Tempo of Operation
* High Energy Levels

Four ORM Principles

1. Accept risk when benefits outweigh the cost.
2. Accept no unnecessary risk.
3. Anticipate and manage risk by planning.
4. Make risk decisions at the right level.

ORM vs. Non-standard Approach

Systematic	Random, Individual-D
Proactive	Reactive
Integrates All Types of Risk Into Plan	Safety As After-thought Or Plan is Done
Common Process/Terms	Non-standard
Conscious Decision Based on Risk vs. Benefit	“Can Do” Regardless of Ris

The Benefits of ORM

- Reduction in Mishaps
- Improved Mission Effectiveness

Operational Risk Management

Levels of Application

1. Time-critical – On the run consideration of the 5 Step
2. Deliberate - Application of t complete 5-Step Process
3. In-depth - Complete 5-Step Process with Detailed Analy

ORM PROCESS

Time-Critical ORM

1. Identify Hazards
2. Assess Hazards
3. Make Risk Decisions
4. Implement Controls
5. Supervise

Time-critical ORM Examples

- As changes occur during a mission/ope
- Pre-flight brief
- Maintenance shift turn-over brief
- During execution of hazardous weather
- No notice missile exercise

Class Exercise

Time-critical ORM Demonstration